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UNCLAS SECTION 01 OF 02 BUCHAREST 000728

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SENSITIVE

STATE FOR EUR/NCE - WILLIAM SILKWORTH, EB/ESC/TFS - D  
NELSON, S/CT - TKUSHNER, IO/PHO - JSCHWEITZER, REGIONAL  
BUREAUS,  
TREASURY FOR JZARATE AND OFAC DIRECTOR RWERNER  
USDOC FOR 4232/ITA/MAC/AUR/PEEROS/CEED/JBURGESS/JKIMBAL L  
USPTO FOR JURBAN/DLASHLEY-JOHNSON

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SUBJECT: ROMANIA: COMBATING TERRORISM FINANCE: COUNTRY  
PROGRESS AND TRAINING NEEDS

REF: STATE 32688

SENSITIVE BUT UNCLASSIFIED - NOT FOR INTERNET DISTRIBUTION.

1. (U) Reftel requests Post TFCO,s response to questions below evaluating the host government,s ability to cooperate in disrupting terrorism financing:

A. (SBU) Question: Describe the amount of assets frozen, forfeited or seized by host government pursuant to UNSCR Resolutions 1267 and 1373, legal authority under which the action was taken and domestic actions taken against designated parties.

--Answer: The National Bank of Romania (BNR) and the National Office for the Prevention and Control of Money Laundering (NOPCML) have been fully cooperative in seeking to identify and freeze terrorist assets. Post sends the BNR, NOPCML, Ministry of Finance, Ministry of Foreign Affairs and General Prosecutor,s Office the Department,s lists of designated individuals and terrorist organizations. The BNR circulates these lists to all banks and financial institutions in the banking system. The BNR notes, however, that the lists furnished often lack sufficient details to enable the banking system to identify the individual and freeze his/her assets. Although Romania,s new law on terrorism provides for the forfeiture of assets used by or provided to terrorist entities, together with finances resulting from terrorist activity, to date no arrests, seizures or prosecutions have been carried out.

B. (SBU) Question: What impediments exist for a more robust cooperation with your host government on co-sponsoring designations?

--Answer: Taking into account the positive trend in bilateral relations, GOR agencies, including the BNR and NOPCML, support a more robust cooperation with the U.S. in co-sponsoring designations. The new legislation on terrorism passed by the parliament in November 2004, which prohibits financial and banking transactions with persons included on international terrorist lists and requires authorization for transactions conducted with entities suspected of terrorist activities, contributes to the possibilities for significant improvement in this area.

C. (SBU) Question: Is the host government willing to accept USG training and technical assistance, including an assessment of training needs?

--Answer: NOPCML in particular would be grateful for training and technical assistance from the USG, including an assessment of training needs. This month, representatives from NOPCML will visit US FINCEN for training on financial crimes, money laundering and terrorist financing. NOPCML requestS training on methods and procedures of analysis for financial operations suspected of being linked with terrorism and an assessment of IT hardware and software required to create a network for on-line encrypted reporting and the operative reporting analysis. Training seminars for judges, prosecutors, police and intelligence services in the detection and prosecution of terrorist financing operations would also be welcomed.

D. (SBU) Question: How would you rank your host county in terms of risk that it will be used as a site either for significant fund raising or for significant banking services for terrorists?

--Answer: Romania ranks as a low to medium risk in terms of fund raising and/or banking services for terrorist related activities. As with several other countries in Eastern Europe, corruption and the presence of organized crime presents a vulnerability to financial crimes. Legislation and regulations designed to combat financial crimes and terrorist financing are of recent enactment and

are fairly comprehensive. Nevertheless, implementation lags and reporting and investigation are not as timely or as effective as desired. Reported instances of financial transactions related to terrorist financing in Romania are rare occurrences. In February, NOPCML detected and analyzed a case in the northern Romanian city of Iasi involving suspects of Middle Eastern origin who were implicated in the transfer of millions of dollars in a money laundering scheme through a textile business and several shell companies. The funds allegedly were destined for a French credit institution associated with Bin Laden family. Seven suspects were arrested in the case. Investigation by the prosecutor,s office in Iasi continues.

12. (U) AmEmbassy Bucharest's reporting telegrams are available on the Bucharest SIPRNet website:[www.state.sgov/p/eru/Bucharest](http://www.state.sgov/p/eru/Bucharest).  
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